

FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2013-14 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.
- **Debt Service Fund** – accounts for General Fund related debt service.
- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.

These funds include:

- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Management Fund
- Transit Fund
- Parking Facilities Fund
- Ballpark Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.

These funds include:

- Law Enforcement Officers' Separation Allowance Fund
- Cemetery Fund
- Other Post Employment Benefits Fund

- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.

These funds include:

- Business Improvement District Fund
- Dedicated Housing Fund
- Emergency Telephone System Surcharge Fund
- Durham Performing Arts Center Fund
- Durham Performing Arts Center Capital Reserve Fund
- Watershed Protection Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.

These funds include:

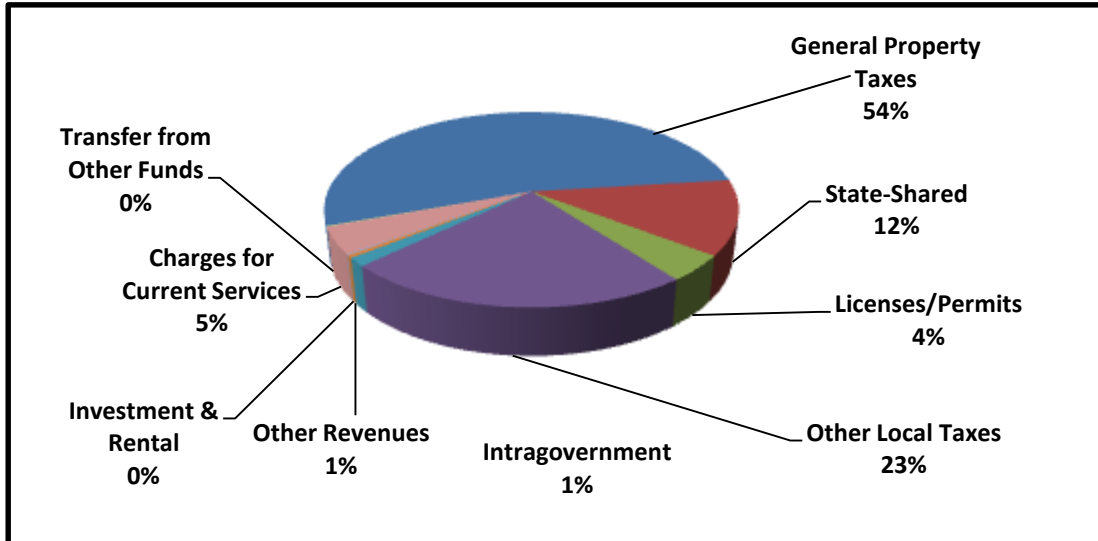
- General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
- Impact Fee Fund
- Water and Sewer Capital Facilities Fees Fund

- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to sections IV (Budget Summaries) for information on Internal Service Funds. These funds include:

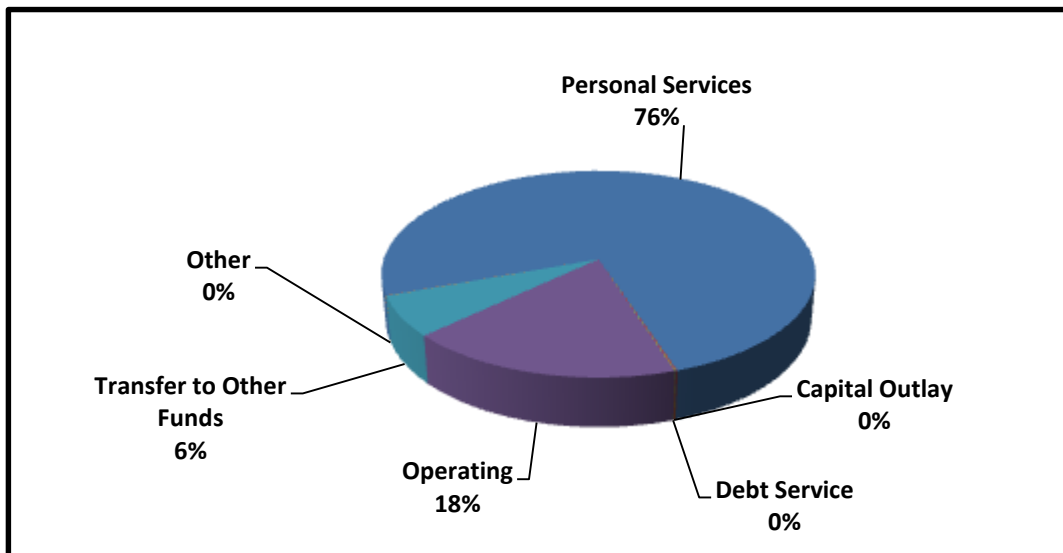
- Risk Reduction Fund
- Employee Insurance Fund

GENERAL FUND SUMMARY

Revenues

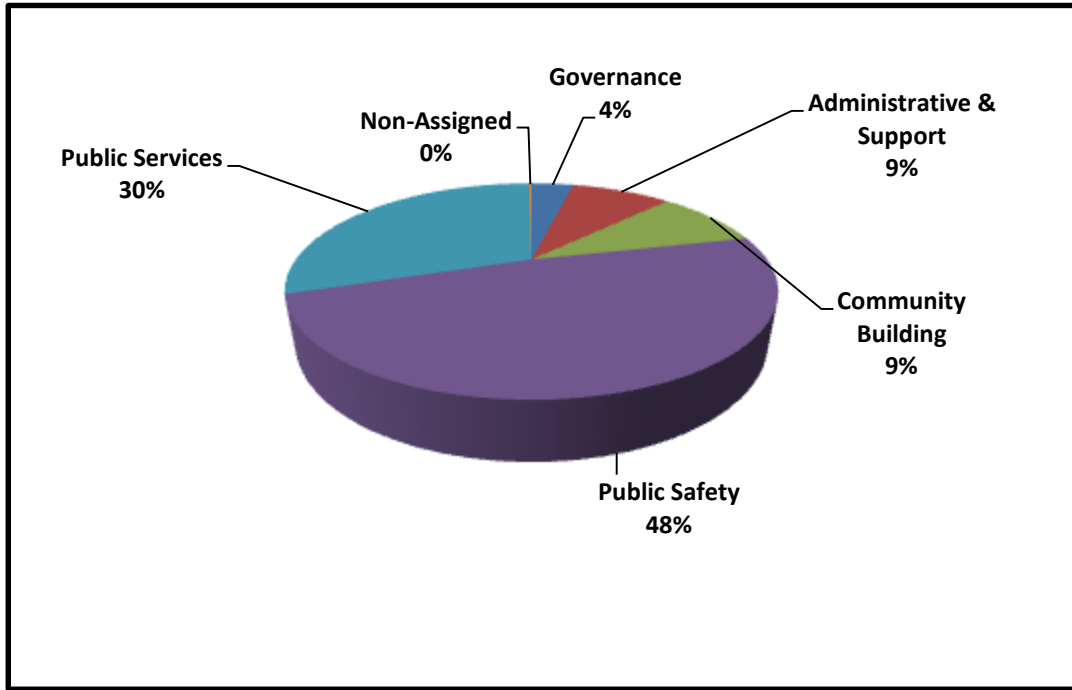


Appropriations



GENERAL FUND SUMMARY

Appropriations by Function



GENERAL FUND SUMMARY

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
General Property Taxes	\$ 100,342,726	\$ 99,217,048	\$ 97,046,556	\$ 90,703,193	-8.6%
Other Local Taxes	36,982,323	38,573,096	37,984,906	39,372,477	2.1%
State-Shared Revenues	20,103,091	20,488,846	20,703,699	20,882,132	1.9%
Licenses and Permits	6,708,044	6,285,053	7,179,868	7,225,446	15.0%
Investment/Rental Income	308,173	307,029	258,832	250,332	-18.5%
Charges for Current Services	8,009,199	8,399,956	8,382,242	7,531,050	-10.3%
Intragovernmental Services	1,963,976	2,363,391	2,334,541	2,368,353	0.2%
Other Revenues	902,523	719,135	788,799	745,464	3.7%
Transfer from Other Funds	960,020	-	112,300	200,000	100%
Approp From Fund Balance	17,362,757	314,338	1,945,770	300,000	-4.6%
Total Revenues	\$ 193,642,832	\$ 176,667,892	\$ 176,737,513	\$ 169,578,447	-4.0%
Appropriations					
Personal Services	\$ 122,562,363	\$ 125,410,732	\$ 124,190,274	\$ 127,912,413	2.0%
Operating	29,360,693	30,775,166	34,201,495	30,561,285	-0.7%
Capital Outlay	181,697	182,951	241,911	188,901	3.3%
Debt Service	16,178,402	100,000	100,000	90,000	-10.0%
Other	-	2,744,877	748,497	75,304	-97.3%
Transfers to Other Funds	25,359,677	17,454,166	17,255,336	10,750,544	-38.4%
Total Appropriations	\$ 193,642,832	\$ 176,667,892	\$ 176,737,513	\$ 169,578,447	-4.0%
Appropriations by Function					
Governance	\$ 5,768,569	\$ 5,756,268	\$ 5,725,577	\$ 6,247,024	8.5%
Administrative and Support	15,028,228	15,920,503	15,576,191	14,634,941	-8.1%
Community Building	14,084,030	17,694,475	18,966,349	15,303,854	-13.5%
Public Safety	77,844,388	80,280,086	79,995,332	82,263,773	2.5%
Public Services	60,367,798	55,824,859	56,277,623	50,762,167	-9.1%
Non-assigned	20,549,820	1,191,701	196,441	366,688	-69.2%
Total Appropriations	\$ 193,642,832	\$ 176,667,892	\$ 176,737,513	\$ 169,578,447	-4.0%

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

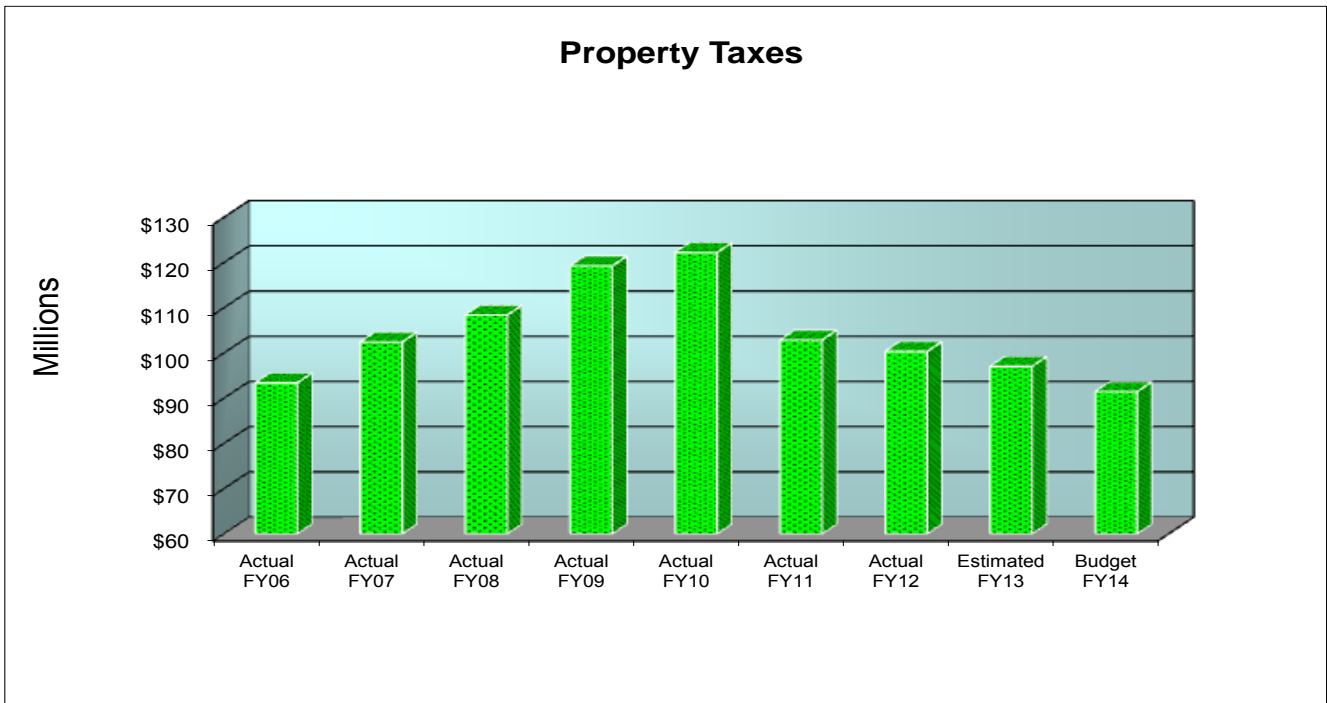
- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

General Fund – Discretionary Revenues

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
General Property Taxes					
Current Levy	\$ 98,831,702	\$ 97,432,048	\$ 95,321,556	\$ 88,618,193	-9.0%
Prior Years Levy	1,176,934	1,400,000	1,340,000	1,700,000	21.4%
Interest & Penalties	334,928	385,000	385,000	385,000	0.0%
Subtotal	\$ 100,343,564	\$ 99,217,048	\$ 97,046,556	\$ 90,703,193	-8.6%
Other Local Taxes					
Local Option Sales Tax	\$ 35,016,275	\$ 36,663,381	\$ 37,975,417	\$ 37,304,762	1.7%
Heavy Equipment	61,898	85,000	71,030	85,000	0.0%
Rental Car Gross Receipts	243,499	222,715	221,161	222,715	0.0%
Hotel/Motel Occupancy Tax	166,050	1,602,000	1,717,298	1,760,000	9.9%
Subtotal	\$ 35,487,722	\$ 38,573,096	\$ 39,984,906	\$ 39,372,477	2.1%
Licenses					
Business & Professional Licenses	\$ 2,546,715	\$ 2,876,042	\$ 2,934,000	\$ 3,023,800	5.1%
Subtotal	\$ 2,546,715	\$ 2,876,042	\$ 2,934,000	\$ 3,023,800	5.1%
Intergovernmental Revenues					
Utility Franchise Tax	\$ 13,245,478	\$ 13,502,696	\$ 13,571,705	\$ 13,793,605	2.2%
Gasoline Tax (Powell Bill)	5,703,259	5,710,000	5,883,844	5,816,807	1.9%
Beer & Wine Tax	994,213	1,053,497	1,053,497	1,074,567	2.0%
Alcoholic Beverage Control	112,782	153,000	125,000	127,500	-16.7%
Subtotal	\$ 20,055,732	\$ 20,419,193	\$ 20,634,046	\$ 20,812,479	1.9%
Investment					
Investment Income	\$ 267,286	\$ 210,000	\$ 210,000	\$ 219,000	4.3%
Subtotal	\$ 267,286	\$ 210,000	\$ 210,000	\$ 219,000	4.3%
Other Major Revenue					
Sale Of Surplus Equipment	295,615	311,034	375,272	286,954	-7.7%
Street Assessments	24,393	100,000	100,000	100,000	0.0%
Subtotal	\$ 320,008	\$ 411,034	\$ 475,272	\$ 386,954	-5.9%
Appropriations From Fund Balance	\$ -	\$ 213,338	\$ 213,338	\$ 300,000	40.6%
Total Revenues	\$ 159,021,027	\$ 161,919,751	\$ 161,498,118	\$ 154,817,903	-4.4%

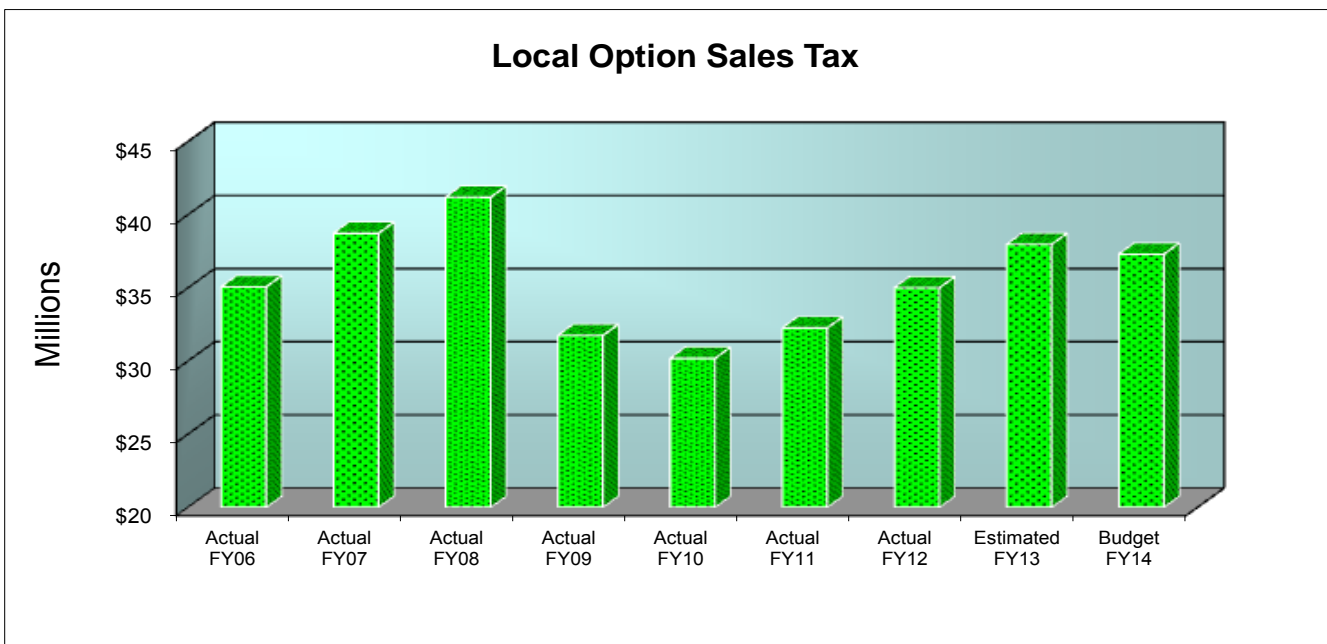
General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES



The FY2013-14 budget proposes a tax rate of 56.75 cents per \$100 of assessed valuation, the same rate as adopted in FY2012-13. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, whose office bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division. The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, and began collections on April 1st, 2013. The sales tax rate of 7.50 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. Most services and prescription drugs are exempt from sales taxes. The State retains 4.25 cents for retail (0.00 cents in the case of food sales) and returns on average 2.5 cents to local governments. The sales tax is an important revenue source for the City, representing nearly 24% of General Fund discretionary revenues for FY 2013-14.

According to fiscal analysts at the General Assembly, sales tax revenues are projected to increase by 3% to 3.5%. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44 and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 40 and Article 42 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 3.5% increase based on the interlocal with Durham County, and the fact that Durham County has a large number of non-profits that are entitled to sales tax refunds. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. The current distribution ratio is 42% for the City and 58% for the County. This current agreement will remain in effect for five years from July 1, 2013 through June 30th, 2018.

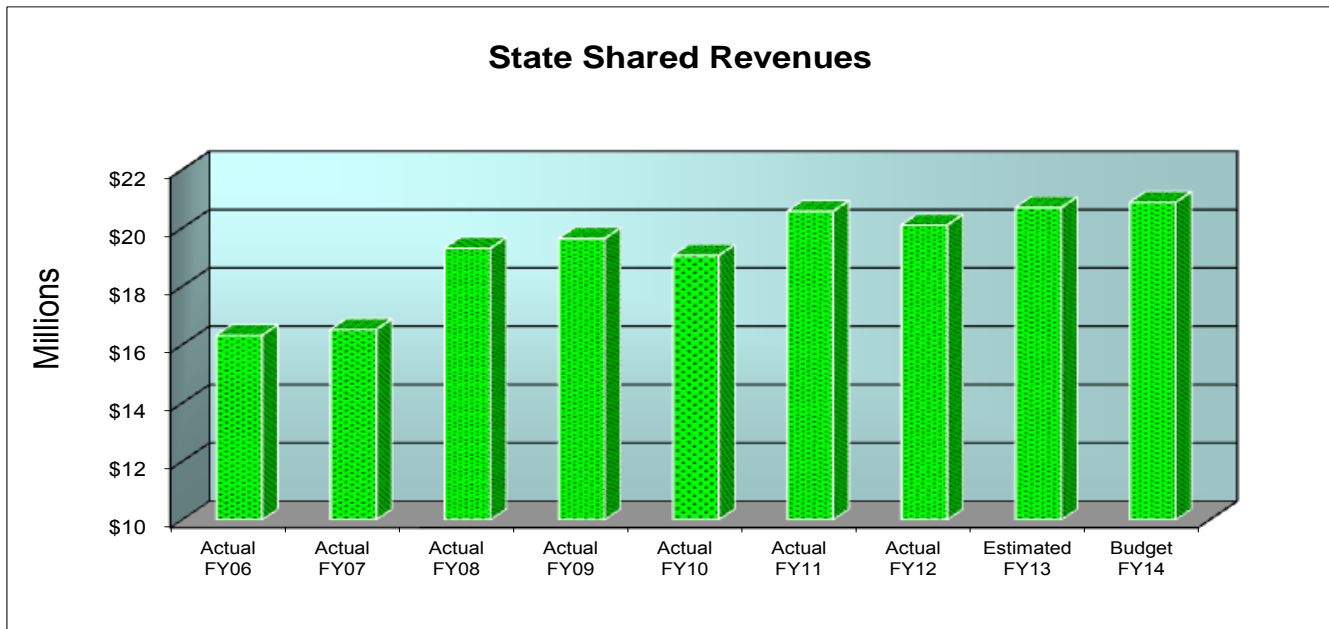
Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is for the Durham Performing Arts Center. The FY 2013-14 budget projects Occupancy tax to be 9.90% higher than the FY 2012-13 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

LICENSES AND PERMITS

Business Licenses - Businesses are assessed a fee for the privilege of doing business in the City. The FY 2013-14 budget projects a 5.1% increase compared to the FY 2012-13 budget.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.



State Shared Revenues

- ❖ **Utility Franchise Tax** – In 1989, the General Assembly replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new special sales tax on telecommunications. In 2006, the General Assembly replaced most of the local cable franchise taxes with a replacement revenue source from three special sales taxes (Sales Tax on Video Programming, Sales Tax on Direct-to-Home Satellite Service and Sales Tax on Telecommunications). Overall, the City is projecting a 2.2% increase in total Utility Franchise taxes for FY 2013-14 compared to FY 2012-13.
 - The **Electricity** franchise tax is based on actual receipts from electric service within the municipal boundary. For FY 2013-14 the revenue is expected to increase by 11.6% compared to FY2012-2013.
 - **Telecommunications** sales tax revenues are expected to decline by 6.1% in FY 2013-14. The decline is attributed to changes the General Assembly made to telecommunications sales tax distributions when it increased the general sales tax on September 1, 2009.
 - The **Piped Natural Gas** excise tax is expected to decrease by 16.4% for FY 2013-14.
 - The **Local Government Video Programming** revenues for FY 2013-14 are expected to decrease by 14.8% compared FY2012-13. The decrease is attributed to changes the General Assembly made to video programming distributions on September 1, 2009.
- ❖ **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2013-14, the City projects a 1.9% increase compared to FY 2012-13. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.
- ❖ **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2013-14, the City projects a 2.0% increase compared to FY 2012-13.
- ❖ **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2013-14 budget projects this revenue will decrease 16.7% as compared to FY 2012-13.

INVESTMENT

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2013-14 there is no general fund transfer budgeted. The FY 2013-14 budget projects a 4.3% increase in investment income.

OTHER MAJOR REVENUE

This category is used to record those revenues that are miscellaneous in nature.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2013-14 budget projects a 7.7% decrease in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2013-14 budget projects a the same amount as was budgeted in FY2012-13.

APPROPRIATION FROM FUND BALANCE

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2013) excess funds will be returned to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2012-13 financial audit. For FY 2013-14, there is a transfer from fund balance budgeted in the amount of \$300,000 to fund one-time expenditures. If funds from FY 2012-13 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 12.12%

General Fund – Program Revenues

LICENSES AND PERMITS

Public Safety

Fire:

Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

Community Building

City/County Inspections:

Revenues from Building, Electrical, Plumbing, Mechanical, Sign and Fire Permits required by ordinance for development activity.

Sign Permits - Revenue generated from the issuance of sign permits.

Public Services

Public Works:

Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

Transportation:

Taxicab Inspection Fees - Revenue from inspecting taxicabs and shuttles for permits.

CHARGES FOR CURRENT SERVICES

Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (such as services provided under an interlocal agreement) are also included in this category.

Governance

City Clerk:

Revenues from the sale of City Code supplements and copies of public records.

Public Safety

Communications Center:

Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Emergency Telephone System Fund – This fund combines the total 911 surcharge for wireless and wireline services. This money is collected by the telephone companies and forwarded to State. The State distributes these funds directly to the City of Durham. The monthly service charge was set at \$0.70 per connection effective January 1, 2008. The 911 Board monitors the revenues generated, and if it determines that revenues exceed the amount needed, the rate must be reduced.

Police:

Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from \$3.00 to \$10.00 per tow to cover the costs of police officers associated with this program.

Fire:

Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment.

Fire Inspections Fees - This revenue is a result of the State placing more restrictions on how inspections are done. Hazardous material inspection fees are included here.

Community Building**Office of Economic and Workforce Development:**

Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

City/County Planning:

Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, annexations, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2013-14, the City and County are each funding 50% of the Planning budget with no positions solely funded by either entity.

City/County Inspections:

Durham County Inspections Services - In FY 2002-03, Durham County reimbursed the City 14% of the Inspections Departments appropriations for its share of the joint City/County Inspections. County Inspections fees were remitted to the County every six months after reconciliation. Starting in FY 2003-04, the City began 100% retention of County inspections revenue. The County no longer reimburses the City for its share of the Inspections function.

Administrative and Support**Finance:**

Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

Technology Solutions:

Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1st, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7th, 2000.

GIS Sales - Revenue generated from public map and data requests.

Public Services**General Services:**

Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave spaces at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to citizens who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

Fleet Management:

Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios.

Public Works:

NCDOT State Highway Maintenance - This program has been suspended by the State due to budget shortfalls, but in the past, this was revenue paid by the State Department of Transportation for street maintenance work by the City on State highway system streets within the City limits.

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

Parks and Recreation:

Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

Transportation:

Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

INTRAGOVERNMENTAL SERVICES

This section is used to record those revenues associated with services provided by one City department to another department.

Community Building

Public Works:

Street Maintenance Charges - These charges occur as a result of General Fund divisions performing street construction and stormwater system work for other departments or divisions in other funds.

Engineering Fees - This revenue represents charges to bond and construction funds for engineering services provided by the Engineering Divisions.

TRANSFERS FROM OTHER FUNDS

Public Services

General Services:

Transfer From Perpetual Care Fund - Investment income from the Cemetery Perpetual Care Fund has been transferred in the past to help offset the costs of cemetery maintenance. A portion of this investment income is returned to the Perpetual Care Fund to assist with long term maintenance of the cemeteries.

General Fund – Non-Departmental Appropriations

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Personal Services					
Severance Payments	27,890	40,000	40,000	25,000	-37.5%
Other Employee Benefits	-	-	-	445,327	100.0%
Health Insurance - Retirees	3,068,133	3,009,616	3,009,616	3,164,055	5.1%
Subtotal	\$ 3,096,023	\$ 3,049,616	\$ 3,049,616	\$ 3,634,382	19.2%
Operating					
Risk Management Charges	\$ 2,841,522	\$ 2,358,257	\$ 2,214,650	\$ 2,938,599	24.6%
Downtown Revitalization	\$ 2,071,700	\$ 1,881,725	\$ 2,250,202	\$ 1,517,319	-19.4%
Donations	-	40,000	11,643	40,000	0.0%
Indirect Cost Reimbursements	(7,031,464)	(8,101,323)	(8,101,323)	(8,301,900)	2.5%
Other Operating Costs / Savings	70,622	-	11,711	(100,000)	-100.0%
Subtotal	\$ (2,047,620)	\$ (3,821,341)	\$ (3,613,117)	\$ (3,905,982)	2.2%
Transfer to Other Funds					
Transfer to Debt Service Fund	\$ 2,431,277	\$ 1,203,484	\$ -	\$ -	-100.0%
Transfer to Water and Sewer Fund	319,595	308,942	308,942	298,288	-3.4%
Transfer to BID	-	250,000	250,000	250,000	0.0%
Transfer to Solid Waste Fund	-	101,000	101,000	-	-100.0%
Transfer to DPAC Fund	100,000	-	-	-	0.0%
Transfers Other	472,143	-	-	-	0.0%
Subtotal	\$ 3,323,015	\$ 1,863,426	\$ 659,942	\$ 548,288	-70.6%
Debt Service					
Cost of Servicing	\$ 126,183	\$ 100,000	\$ 100,000	\$ 90,000	-10.0%
Bonds	16,052,219	-	-	-	0.0%
Subtotal	\$ 16,178,402	\$ 100,000	\$ 100,000	\$ 90,000	-10.0%
Total Nondepartmental	\$ 20,549,820	\$ 1,191,701	\$ 196,441	\$ 366,688	-69.2%

PERSONAL SERVICES

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.

Other Employee Benefits - As of FY 2013-14, The City must set aside in advance, funding for future unemployment insurance claims.

Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.

Downtown Revitalization – costs related to the former Downtown Fund.

Donations – Reserve for small miscellaneous donations.

Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.

TRANSFERS TO OTHER FUNDS

Transfer to Debt Service Fund – Transfers related to General Fund debt service to the Debt Service Fund.

Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.

Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.

Transfer to Solid Waste Fund – Transfers related to capital expenditures for Solid Waste.

Transfer to DPAC Fund – Transfer to the Durham Performing Arts Center Fund for operations.

DEBT SERVICE

Debt service payments on City bonds and financings. Please refer to the Debt Management section of this document (Section XI) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
General Property Taxes	\$ 28,684,993	\$ 29,659,027	\$ 29,659,027	\$ 34,627,221	16.8%
Interest	16,350	30,097	30,097	14,000	-53.5%
Other Revenue	692,521	692,521	692,521	692,521	0.0%
Transfers from Other Funds	3,730,833	1,203,484	1,203,484	-	-100.0%
Intergovernmental	-	-	-	2,950,000	100.0%
Appropriation from Fund Balance	578,618	1,939,938	1,939,938	2,580,410	33.0%
Total Revenues	\$ 33,703,315	\$ 33,525,067	\$ 33,525,067	\$ 40,864,152	21.9%
Appropriations					
Debt Service Principal	\$ 22,680,413	\$ 22,343,723	\$ 22,343,723	\$ 24,906,018	11.5%
Debt Service Interest	11,022,902	11,181,344	11,181,344	10,579,616	-5.4%
Transfer to Other Funds	-	-	-	5,378,518	100.0%
Total Appropriations	\$ 33,703,315	\$ 33,525,067	\$ 33,525,067	\$ 40,864,152	21.9%

FUND DESCRIPTION

The Debt Service Fund was established in FY 2010-11 to account for the City's General Fund debt service obligations.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service. This is 14.61 cents for FY 2013-14

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – A transfer is made from the General Fund to cover debt associated with the former Downtown Fund.

Intergovernmental – Revenue from Durham County to be received for their portion of the radio infrastructure capital project. Please refer to the Capital and Grant Project Information section of this document (Section XII) for detailed information on City capital projects.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

Transfer to Other Funds – Transfers to the Solid Waste, Ballpark and Parking Funds which represents their portion of debt obligations.

WATER AND SEWER FUND **WATER AND SEWER REVENUES**

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Investment & Rental Income					
Interest: Investments and Assess.	\$ 298,263	\$ 225,000	\$ 262,540	\$ 210,000	-6.7%
Rental Income	365,236	315,600	315,600	315,600	0.0%
Total Investment & Rental Income	\$ 663,499	\$ 540,600	\$ 578,140	\$ 525,600	-2.8%
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	\$ 78,434,209	\$ 80,982,068	\$ 80,185,224	\$ 81,033,281	0.1%
Late Fees	244,731	325,000	350,533	325,000	0.0%
Industrial Monitoring	10,554	13,000	17,788	13,000	0.0%
Sewer Surcharge	144,119	160,000	220,692	160,000	0.0%
Suspended Solids	27,411	10,000	39,066	25,000	150.0%
Subtotal	\$ 78,861,024	\$ 81,490,068	\$ 80,813,303	\$ 81,556,281	0.1%
Other Operating Revenues					
Septic Tank Disposal	\$ 112,920	\$ 100,000	\$ 155,920	\$ 100,000	0.0%
Water Connection Fees	170,932	240,000	284,159	240,000	0.0%
Sewer Connection Fees	93,393	65,000	81,390	65,000	0.0%
Engineering Inspection Fee	57,943	60,000	176,759	80,000	33.3%
Backflow Certification	13,475	20,000	14,766	20,000	0.0%
Subtotal	\$ 448,663	\$ 485,000	\$ 712,994	\$ 505,000	4.1%
Licenses and Permits					
Water Permits	\$ 27,900	\$ 20,000	\$ 30,000	\$ 22,000	10.0%
Sewer Permits	13,050	11,000	18,600	12,000	9.1%
Cross Connection Control Permits	39,250	25,000	38,200	25,000	0.0%
Subtotal	\$ 80,200	\$ 56,000	\$ 86,800	\$ 59,000	5.4%
Total Operating	\$ 79,389,887	\$ 82,031,068	\$ 81,613,097	\$ 82,120,281	0.1%
Other Revenues					
Miscellaneous	\$ 685,892	\$ 66,028	\$ 66,385	\$ 66,028	0.0%
Water Frontage Fees/Assessments	308,804	120,000	261,736	120,000	0.0%
Sewer Frontage Fees/Assessments	556,964	120,000	622,188	120,000	0.0%
Total Other Revenues	\$ 1,551,660	\$ 306,028	\$ 950,309	\$ 306,028	0.0%
Transfers from Other Funds					
General Fund	\$ 319,595	\$ 308,942	\$ 308,942	\$ 298,288	-3.4%
Total Transfers from Other Funds	\$ 319,595	\$ 308,942	\$ 308,942	\$ 298,288	-3.4%
Appropriation from Fund Balance	\$ -	\$ 6,714,865	\$ 7,347,298	\$ 7,415,065	10.4%
TOTAL W & S FUND REVENUES	\$ 81,924,641	\$ 89,901,503	\$ 90,797,786	\$ 90,665,262	0.8%

WATER AND SEWER FUND

REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
REVENUES					
Investment and Rental Income	\$ 663,499	\$ 540,600	\$ 578,140	\$ 525,600	-2.8%
Water and Sewer Sales	78,861,024	81,490,068	80,813,303	81,556,281	0.1%
Other Operating Revenue	448,663	485,000	712,994	505,000	4.1%
Licenses and Permits	80,200	56,000	86,800	59,000	5.4%
Frontage Fees/Assessments	865,768	240,000	883,924	240,000	0.0%
Other	685,892	66,028	66,385	66,028	0.0%
Transfer from Other Funds	319,595	308,942	308,942	298,288	-3.4%
Appropriations from Fund Balance	-	6,714,865	7,347,298	7,415,065	10.4%
TOTAL REVENUES	\$ 81,924,641	\$ 89,901,503	\$ 90,797,786	\$ 90,665,262	0.8%
APPROPRIATIONS					
Personal Services	\$ 22,292,129	\$ 23,139,908	\$ 22,685,231	\$ 23,787,418	2.8%
Operating	26,540,225	27,203,562	28,782,904	27,919,680	2.6%
Capital Outlay	90,921	10,000	308,503	7,500	-25.0%
Debt Service	18,579,910	18,891,051	19,391,051	18,571,664	-1.7%
Transfers to Other Funds	10,317,056	20,656,982	19,630,097	20,379,000	-1.3%
Transfers to Fund Balance	4,104,400	-	-	-	0.0%
TOTAL APPROPRIATIONS	\$ 81,924,641	\$ 89,901,503	\$ 90,797,786	\$ 90,665,262	0.8%
Department Appropriations					
Water Management	\$ 38,382,233	\$ 40,338,301	\$ 41,661,544	\$ 40,944,127	1.5%
Public Works	2,654,299	2,787,036	2,908,720	3,189,363	14.4%
Finance	148,468	183,947	192,021	190,960	3.8%
Nondepartmental Appropriations	40,739,641	46,592,219	46,035,501	46,340,812	-0.5%
TOTAL APPROPRIATIONS	\$ 81,924,641	\$ 89,901,503	\$ 90,797,786	\$ 90,665,262	0.8%

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investments and Assessments - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute, and interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. Rates increased for water and sewer charges for FY 2013-14, equating to roughly a 2.5% increase for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for truckloads of septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers the cost of the inspection of CCC devices.

Other Revenues

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund is paying back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year. In FY 2013-14, additional fund balance is being appropriated to transfer a larger amount to capital projects.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Personal Services					
Merit/Market Salary Adjustment	\$ -	\$ -	\$ -	\$ 3,854	100.0%
Subtotal	\$ -	\$ -	\$ -	\$ 3,854	100.0%
Operating					
Hardship Funds	\$ 191,463	\$ -	\$ -	\$ -	0.0%
General Fund Services	5,797,679	5,797,679	5,797,679	5,997,679	3.4%
Insurance Risk /Post Employment	1,749,116	1,246,507	1,216,643	1,388,615	11.4%
Miscellaneous	16	-	31	-	0.0%
Subtotal	\$ 7,738,274	\$ 7,044,186	\$ 7,014,353	\$ 7,386,294	4.9%
Transfers					
Transfer to Storm Water Fund	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	0.0%
Transfer to Capital Fleet Program	459,500	533,982	295,682	556,000	4.1%
Transfer to Capital Improvements Program	9,734,556	20,000,000	19,211,415	19,700,000	-1.5%
Transfer to Fund Balance	4,104,400	-	-	-	0.0%
Subtotal	\$ 14,421,456	\$ 20,656,982	\$ 19,630,097	\$ 20,379,000	-1.3%
Debt Service					
Debt Service/Refunding	\$ 18,268,149	\$ 18,891,051	\$ 18,891,051	\$ 18,071,664	-4.3%
County Line Reimbursement	311,762	-	500,000	500,000	100.0%
Subtotal	\$ 18,579,911	\$ 18,891,051	\$ 19,391,051	\$ 18,571,664	-1.7%
TOTAL NON-DEPARTMENTAL	\$ 40,739,641	\$ 46,592,219	\$ 46,035,501	\$ 46,340,812	-0.5%

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Personal Services

Merit/Market Salary Adjustment - These funds were previously appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. FY 2013-14 accounts for a small increase in dental rates.

Operating

Hardship Funds - Funds are provided to pay water and sewer bills if a customer is found to be unable to pay under established Durham County Social Services guidelines. These are now budgeted in the General Fund.

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations.

Transfers

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program.

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

Capital Improvement Program (CIP) Appropriations

The 2005 Bond Referendum included \$20 million in water and sewer capital projects. These projects included sewer rehabilitation, North Durham Water Reclamation Facility improvements, Southern Reinforcing Main, Water Main Rehabilitation, Brown Water Treatment Plant Expansion – Phase II, Sewer Extensions and Improvements and Water Extensions and Improvements. These projects continue in design and or construction and bonds are issued as needed to cover the cost of these projects.

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2013-14, \$19.7 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2014-2019 Capital Improvement Program budget document.

Debt Service

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

CAPITAL FACILITIES FEES FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Operating Revenues	\$ 3,024,635	\$ 2,800,000	\$ 3,292,280	\$ 2,800,000	0.0%
Interest and Rental Income	27,814	11,500	21,500	32,500	182.6%
Total Revenues	\$ 3,052,449	\$ 2,811,500	\$ 3,313,780	\$ 2,832,500	0.7%
Appropriations					
Transfers to Other Funds	\$ 268,703	\$ 2,811,500	\$ 2,821,500	\$ 2,832,500	0.7%
Transfer to Fund Balance	2,783,746	-	492,280	-	0.0%
Total Appropriations	\$ 3,052,449	\$ 2,811,500	\$ 3,313,780	\$ 2,832,500	0.7%

FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and funds are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

REVENUE DESCRIPTIONS

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by \$200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. Capital Facility Fees will increase 5.7% in FY 2013-14 for all new connections to the City's water and sewer system based on the increased capital cost of construction.

Investment and Rental Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

SOLID WASTE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Interest and Rental Income	\$ 26,314	\$ 26,000	\$ 15,409	\$ 15,000	-42.3%
Charges for Services	7,856,647	8,119,800	8,149,793	7,700,493	-5.2%
Other Revenues	725	725	725	725	0.0%
Landfill Gas	157,804	175,000	195,000	190,000	8.6%
Other Financing Sources	-	-	-	2,703,159	0.0%
Transfer from Other Funds	12,506,477	13,706,256	13,706,256	12,159,519	-11.3%
Transfer from Reserves	843,426	-	520,637	-	0.0%
Total Revenues	\$ 21,391,393	\$ 22,027,781	\$ 22,587,820	\$ 22,768,896	3.4%
Appropriations					
Personal Services	\$ 6,060,020	\$ 6,347,414	\$ 6,258,185	\$ 6,317,830	-0.5%
Operating	12,745,201	12,664,862	12,783,231	10,000,149	-21.0%
Debt Service	2,586,172	3,015,505	3,015,505	3,040,706	0.8%
Transfers to Other Funds			530,899	3,410,211	
Total Appropriations	\$ 21,391,393	\$ 22,027,781	\$ 22,587,820	\$ 22,768,896	3.4%
Department Appropriations					
Water Management	\$ 200,351	\$ 278,723	\$ 301,257	\$ 250,734	-10.0%
Solid Waste Management	17,735,818	17,895,447	18,442,464	15,826,032	-11.6%
Nondepartmental Appropriations	3,455,224	3,853,611	3,844,099	6,692,130	73.7%
Total Appropriations	\$ 21,391,393	\$ 22,027,781	\$ 22,587,820	\$ 22,768,896	3.4%

FUND DESCRIPTION

The Solid Waste Disposal Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this fund.

REVENUE DESCRIPTIONS

Investment and Rental Income – Interest earned on the investment of the fund balance of the fund.

Charges for Services – These include the per ton tipping fee for Solid Waste charged at the transfer station, fees for yard waste collection, disposal bin purchases, brush pickup fees, monthly solid waste fee, white good disposal revenue and the State Disposal Tax revenue.

Other Revenues – Subsidy payments from Build America Bonds (BABs).

Landfill Gas – Revenues generated from methane produced from the City's landfill.

Other Financing Sources – Funding from the Water & Sewer fund to purchase solid waste carts.

Transfer from Other Funds – The General Fund subsidizes the Solid Waste Fund on an annual basis. As well, there is a transfer from the Debt Service Fund to cover the cost of capital purchases.

Transfers from Reserves – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services – All of the City's Solid Waste Department employees are accounted for in this area.

Operating – Major items include fuel purchases and solid waste contracts.

Debt Service – To cover the cost of capital asset purchases.

Transfers to Other Funds – The repayment to the Water & Sewer Fund to cover the cost to purchase solid waste carts

STORMWATER MANAGEMENT FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Operating Revenues	\$ 11,093,826	\$ 11,985,688	\$ 11,983,513	\$ 13,027,049	8.7%
Interest and Rental Income	24,544	9,000	9,000	9,000	0.0%
Miscellaneous Revenue	245,489	144,800	121,671	240,550	66.1%
Transfers from Other Funds	123,000	232,047	232,047	232,047	0.0%
Appropriation from Fund Balance	-	590,000	445,502	115,172	-80.5%
Total Revenues	\$ 11,486,859	\$ 12,961,535	\$ 12,791,733	\$ 13,623,818	5.1%
Appropriations					
Personal Services	\$ 5,879,428	\$ 6,489,776	\$ 5,993,703	\$ 6,258,808	-3.6%
Operating	2,509,060	2,689,274	2,909,889	2,967,010	10.3%
Capital	39,798	42,800	32,000	40,000	-6.5%
Transfers to Other Funds	2,441,246	3,739,685	3,751,985	4,358,000	16.5%
Transfer to Fund Balance	617,327	-	104,156	-	0.0%
Total Appropriations	\$ 11,486,859	\$ 12,961,535	\$ 12,791,733	\$ 13,623,818	5.1%
Department Appropriations					
Public Works	\$ 7,220,782	\$ 7,733,240	\$ 7,500,606	\$ 7,900,689	2.2%
Solid Waste	184,380	200,000	266,665	244,800	22.4%
Nondepartmental Appropriations	4,081,697	5,028,295	5,024,462	5,478,329	9.0%
Total Appropriations	\$ 11,486,859	\$ 12,961,535	\$ 12,791,733	\$ 13,623,818	5.1%

FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

REVENUE DESCRIPTIONS

Operating Revenue – This revenue stream is comprised of two sources:

Stormwater Utility Charges: Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). A 8.5% rate increase is proposed for FY2014. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: \$3.03 for less than 2,000 square feet, \$6.28 for more than 2,000 and less than 4,000 square feet; \$12.58 for more than 4,000 square feet. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

Stormwater Permit Fees: The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Water and Sewer Fund to support a portion of the Household Hazardous Waste program managed by the Solid Waste department, and from the Transit Fund to support bus shelter cleaning services.

EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects.

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

TRANSIT FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
General Property Taxes	\$ -	\$ 7,670,132	\$ 7,510,132	\$ 8,887,890	15.9%
Licenses and Permits	2,237,409	2,200,000	2,297,907	2,280,000	3.6%
Intergovernmental	2,171,278	2,548,772	2,257,560	2,257,559	-11.4%
Charges for Current Services	3,381,204	3,677,038	3,376,840	3,807,499	3.5%
Other Revenue	101,614	107,433	194,082	120,720	12.4%
Transfers from Other Funds	7,799,905	-	-	-	0.0%
Appropriation from Fund Balance	689,801	-	678,951	-	0.0%
Total Revenues	\$16,381,210	\$ 16,203,375	\$ 16,315,472	\$ 17,353,668	7.1%
Appropriations					
Operating	\$14,964,055	\$ 14,774,000	\$ 14,885,608	\$ 16,163,135	9.4%
Capital	-	-	-	-	0.0%
Debt Service	223,173	217,955	217,955	212,737	-2.4%
Transfers to Other Funds	1,193,982	1,211,420	1,211,909	977,796	-19.3%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	\$16,381,210	\$ 16,203,375	\$ 16,315,472	\$ 17,353,668	7.1%
Departmental Appropriations					
Transportation Department	\$15,941,737	\$ 15,601,857	\$ 15,713,954	\$ 16,757,368	7.4%
Nondepartmental Appropriations	439,473	601,518	601,518	596,300	-0.9%
Total Appropriations	\$16,381,210	\$ 16,203,375	\$ 16,315,472	\$ 17,353,668	7.1%

FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes the Durham Area Transit Authority (DATA) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. DATA is currently operated by Durham City Transit Company (DCTC) which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

REVENUE DESCRIPTIONS

General Property Taxes – Operating funds were provided by the General Fund at 3.23 cents of the tax rate in FY 2012-13, and are proposed at 3.75 cents of the tax rate for FY 2013-14.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. An increase from \$10 to \$15 per vehicle registration was adopted and became effective in FY 2009-10.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems.

Charges for Current Services – Fare box and Para-transit transport fares.

Transfers from Other Funds – Prior to FY 2012-13, the General Fund subsidized the Transit Fund directly. Beginning in FY 2012-13, a portion of the tax rate was dedicated to Transit to substitute for this subsidy.

EXPENDITURE DESCRIPTIONS

Operating – The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Grant matches for Transit operations and a payment to the Stormwater Fund to cover bus shelter cleaning services.

PARKING FACILITIES FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Interest and Rental Income	\$ 1,803	\$ 2,000	\$ 2,360	\$ 2,480	24.0%
Charges for Current Services	2,175,615	2,090,341	1,887,678	2,672,338	27.8%
Transfers from Other Funds	-	-	-	1,999,039	100.0%
Appropriation from Fund Balance	-	320,064	868,563	-	-100.0%
Total Revenues	\$ 2,177,418	\$ 2,412,405	\$ 2,758,601	\$ 4,673,857	93.7%
Appropriations					
Personal Services	\$ 65,148	\$ 64,155	\$ 27,427	\$ 121,369	89.2%
Operating	1,517,898	1,984,516	2,428,849	2,305,163	16.2%
Capital	-	363,734	302,325	-	-100.0%
Debt Service	-	-	-	1,999,039	100.0%
Transfer to Fund Balance	594,372	-	-	248,286	100.0%
Total Appropriations	\$ 2,177,418	\$ 2,412,405	\$ 2,758,601	\$ 4,673,857	93.7%
Departmental Appropriations					
Transportation Department	\$ 1,566,296	\$ 1,952,599	\$ 2,298,795	\$ 1,966,982	0.7%
Nondepartmental Appropriations	611,122	459,806	459,806	2,706,875	488.7%
Total Appropriations	\$ 2,177,418	\$ 2,412,405	\$ 2,758,601	\$ 4,673,857	93.7%

FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. A new vendor to manage the garages and lots was contracted for FY 2008-09 and continues. On-street parking revenues and expenditures are now also budgeted in this fund as of FY 2011-12. They had previously been budgeted in the General Fund. The North Deck at American Tobacco's revenues and expenses were moved to this fund for FY 2013-14.

REVENUE DESCRIPTIONS

Interest and Rental Income - Gained through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor. For FY 2013-14, the revenues from the North Deck at American Tobacco were moved to this fund to consolidate all parking items in one place.

Transfers from Other Funds - For FY 2013-14, this transfer is from the Debt Service Fund to cover debt service payments related to parking.

EXPENDITURE DESCRIPTIONS

Personal Services - The City's Transportation Department provides oversight of the parking contracts. A new position is being added with the FY 2013-14 budget to manage the parking function for the City.

Operating - The operating budget represents contract payments to a private contractor. The increase for FY 2013-14 is primarily due to moving the North Deck parking garage at American Tobacco's expenses to this fund.

Capital - Funds were used to purchase automation equipment for garages.

Debt Service - This had previously been paid out of the debt service fund, but in an effort to consolidate all parking related expenses into this fund, it was moved here and is covered with a transfer from the Debt Service Fund.

BALLPARK FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Interest and Rental Income	\$ 596,137	\$ 564,447	\$ 584,199	\$ 468,910	-16.9%
Charges for Services	124,637	125,000	125,000	44,000	-64.8%
Transfer from Fund Balance	-	-	71,402	-	0.0%
Transfers from Other Funds	1,391,020	1,594,931	1,594,931	1,017,259	-36.2%
Total Revenues	\$ 2,111,794	\$ 2,284,378	\$ 2,375,532	\$ 1,530,169	-33.0%
Appropriations					
Personal Services	\$ 118,639	\$ 114,135	\$ 83,087	\$ 63,590	-44.3%
Operating	753,951	867,068	989,270	508,486	-41.4%
Debt Service	813,125	978,378	927,625	713,379	-27.1%
Transfer to Fund Balance	50,528	-	-	100,000	100.0%
Transfers to Other Funds	375,551	324,797	375,550	144,714	-55.4%
Total Appropriations	\$ 2,111,794	\$ 2,284,378	\$ 2,375,532	\$ 1,530,169	-33.0%
Departmental Appropriations					
General Services	\$ 775,372	\$ 849,220	\$ 940,374	\$ 438,385	-48.4%
Nondepartmental Appropriations	1,336,422	1,435,158	1,435,158	1,091,784	-23.9%
Total Appropriations	\$ 2,111,794	\$ 2,284,378	\$ 2,375,532	\$ 1,530,169	-33.0%

FUND DESCRIPTION

The Ballpark Fund was established in FY 1995-96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). Effective January 2014, the City will enter into a 20-year lease with Durham Bulls Baseball Club. At that time the City will no longer be responsible for operational activities related to the Ballpark. The park is currently the home of the Durham Bulls AAA baseball club, a local radio station and a local television station. USA Baseball also moved into DBAP during FY 2003-04. All activities related to the baseball season occur between April and September.

REVENUE DESCRIPTIONS

Interest and Rental Income

Durham Bulls Rent - The Durham Bulls are charged \$125,000 per year as base rent, paid in equal monthly installments.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 3% of the team's gross revenues exceeding \$10,750,000 per year.

Skybox Rentals - The City receives 25% of skybox rental revenue from the 11 skyboxes at the DBAP. This additional rental revenue will cease on January 1, 2014 per the terms of the new lease agreement.

Office and Parking Space Rentals - Rentals for office space are on the street level of the park. In addition, the fund collects rental income on the parking lots used by the Diamond View Office Complex. The collection of rent for the above stated office and parking space rentals will cease on January 1, 2014 per the terms of the new lease agreement.

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events and receive 1.25% of revenues for these events.

Charges for Services

Ticket Surcharges - The City levies a \$0.25 surcharge on each ticket sold for events at the DBAP. This surcharge will cease on January 1, 2014 per the terms of the new lease agreement.

Transfer from Other Funds

Transfer from Others Funds - The General Fund subsidizes the Ballpark Fund on an annual basis.

EXPENDITURE DESCRIPTIONS

Personal Services – This represents the City's personnel assigned to provide facility maintenance at the DBAP. The costs associated with personnel services will cease on January 1, 2014 per the new management agreement.

Operating – Beginning January 1, 2014 the Durham Bulls will be responsible for all operations of the Ballpark for Club Home Games, Special Events, and Third Party Events. The City will have no operational responsibilities associated with the Ballpark.

Debt Service – The City and the Durham Bulls Baseball Club have entered into a development agreement and the City will issue \$12 million in taxable limited obligation bonds. Of the total \$12 million, \$6 million will be used to address Deferred Maintenance issues and the remaining \$6 million will be used to provide new improvements to the Ballpark.

Transfers to Other Funds – A loan repayment to the Water and Sewer Construction Fund.

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Charges for Service	\$ 1,459,436	\$ 1,383,281	\$ 1,490,377	\$ 1,463,416	5.8%
Investment Income	7,646	6,500	6,500	8,000	23.1%
Appropriation From Fund Balance	55,737	-	88,201	-	0.0%
Total Revenues	\$ 1,522,819	\$ 1,389,781	\$ 1,585,078	\$ 1,471,416	5.9%
Appropriations					
Personal Services	\$ 1,521,714	\$ 1,388,581	\$ 1,583,957	\$ 1,470,216	5.9%
Operating	1,105	1,200	1,121	1,200	0.0%
Total Appropriations	\$ 1,522,819	\$ 1,389,781	\$ 1,585,078	\$ 1,471,416	5.9%

FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute.

REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund at a rate of 5.00% of sworn officers' salaries.

Investment Income – Funds are gained through the commitment of city funds to investment instruments allowed under State Statute.

Appropriations from Fund Balance – Any costs not covered by the other two revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services (Separation Allowance) – This expenditure provides special retirement benefits for eligible law enforcement officers as required by State Statute.

Operating (Periodic Fund Audit) – This fund is audited periodically to determine the accuracy of projections. The cost associated with these audits appears here.

CEMETERY FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Interest and Rental Income	\$ 8,573	\$ 10,000	\$ 7,500	\$ 10,000	0.0%
Appropriation from Fund Balance	236,008	90,000	92,500	-	-100.0%
Total Revenues	\$ 244,581	\$ 100,000	\$ 100,000	\$ 10,000	-90.0%
Appropriations					
Transfers to Other Funds	\$ 244,581	\$ 100,000	\$ 100,000	\$ -	-100.0%
Transfers to Fund Balance	\$ -	\$ -	\$ -	\$ 10,000	100.0%
Total Appropriations	\$ 244,581	\$ 100,000	\$ 100,000	\$ 10,000	-90.0%

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. This fund holds contributions for future infrastructure needs of the City's two cemeteries. Cemetery operations are contained in the General Fund.

REVENUE DESCRIPTIONS

Interest and Rental Income – Investment interest earned on the fund balance.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – For Fiscal Year 2013-14 no funds are proposed to be transferred.

Transfers to Fund Balance – Any surplus in the Fund is returned to fund balance.

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Charges for Services	\$ 3,996,564	\$ 3,802,617	\$ 3,802,617	\$ 3,972,647	4.5%
Contributions	787,294	780,495	780,495	645,547	-17.3%
Interest	811	-	2,000	1,000	0.0%
Transfers from Fund Balance	-	61,507	59,507	-	-100.0%
Total Revenues	\$ 4,784,669	\$ 4,644,619	\$ 4,644,619	\$ 4,619,194	-0.5%
Appropriations					
Personal Services	\$ 4,548,324	\$ 4,627,869	\$ 4,627,869	\$ 4,604,194	-0.5%
Operating Expenses	-	16,750	16,750	15,000	-10.4%
Transfer to Fund Balance	236,345	-	-	-	0.0%
Total Appropriations	\$ 4,784,669	\$ 4,644,619	\$ 4,644,619	\$ 4,619,194	-0.5%

FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy.

REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

Contributions - City and retiree contributions.

Interest - Investment interest earned on any fund balance.

Transfers from Fund Balance - Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services - This expenditure provides post employment benefits for eligible retired employees as required by city policy.

Operating Expenses - These are professional fees for actuarial services.

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
911 Surcharge Tax	\$ 1,796,331	\$ 1,413,750	\$ 1,413,750	\$ 1,482,087	4.8%
Interest Income	5,786	4,000	4,000	5,000	25.0%
Appropriation from Fund Balance	193,547	382,581	97,343	89,637	-76.6%
Total Revenues	\$ 1,995,664	\$ 1,800,331	\$ 1,515,093	\$ 1,576,724	-12.4%
Appropriations					
Personal Services	\$ -	\$ 186,488	\$ 158,849	\$ 181,607	-2.6%
Operating	1,995,664	1,609,843	1,356,244	1,395,117	-13.3%
Transfer to Fund Balance	-	4,000	-	-	100.0%
Total Appropriations	\$ 1,995,664	\$ 1,800,331	\$ 1,515,093	\$ 1,576,724	-12.4%

FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Other Local Taxes	\$ 1,302,866	\$ 1,300,000	\$ 1,170,568	\$ 1,350,000	3.8%
Other Revenues	962,204	859,000	900,000	870,000	1.3%
Interest Income	2,646	2,000	2,000	2,000	0.0%
Operating Revenues	1,809,893	918,000	1,000,000	930,000	1.3%
Transfer From Other Funds	100,000	-	-	-	0.0%
Appropriation from Fund Balance	-	296,831	480,361	590,771	99.0%
Total Revenues	\$ 4,177,609	\$ 3,375,831	\$ 3,552,929	\$ 3,742,771	10.9%
Appropriations					
Operating	\$ 98,687	\$ 429,733	\$ 406,831	\$ 438,235	2.0%
Transfer to Other Funds	432,960	459,000	659,000	817,000	78.0%
Debt Service	2,489,610	2,487,098	2,487,098	2,487,536	0.0%
Appropriation to Fund Balance	1,156,352	-	-	-	0.0%
Total Appropriations	\$ 4,177,609	\$ 3,375,831	\$ 3,552,929	\$ 3,742,771	10.9%

FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater.

REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of \$1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Operating Revenues – Revenues received from the theater operator.

Interest Income – This line records interest received in the fund.

Transfer From Other Funds – A transfer from the Downtown Revitalization portion of the General Fund.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Operating - Commissions and fees to meet contractual obligations. In FY 2012-13 Indirect Costs associated with the General Fund were added to the fund.

Transfer to Other Funds – Allows for transfers to the DPAC Capital Reserve Fund.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

Appropriation to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

DURHAM PERFORMING ARTS CENTER CAPITAL RESERVE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Distributed Interest	\$ 6,419	\$ 1,000	\$ 6,000	\$ 3,000	200.0%
Transfer From Other Funds	432,960	459,000	459,000	617,000	34.4%
Total Revenues	\$ 439,379	\$ 460,000	\$ 465,000	\$ 620,000	34.8%
Appropriations					
Operating	\$ 141,850	\$ 197,249	\$ 250,000	\$ 620,000	214.3%
Transfer to Fund Balance	297,529	262,751	215,000	-	0.0%
Total Appropriations	\$ 439,379	\$ 460,000	\$ 465,000	\$ 620,000	34.8%

FUND DESCRIPTION

The Durham Performing Arts Center Capital Reserve Fund pays for repairs to the theater and collects excess revenues for periodic major upgrades.

REVENUE DESCRIPTIONS

Distributed Interest – The investment return on the fund balance.

Transfer From Other Funds – A transfer of the facility fee income from the DPAC fund. Beginning in FY 2012, the ticket surcharge is \$1.50 per ticket.

APPROPRIATIONS DESCRIPTIONS

Operating - Repairs and upgrades to the theater.

Transfer to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

IMPACT FEE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Operating Revenues	\$ 2,307,031	\$ 1,742,137	\$ 3,376,928	\$ 1,900,785	9.1%
Interest and Rental Income	145,801	113,000	113,000	123,500	9.3%
Total Revenues	\$ 2,452,832	\$ 1,855,137	\$ 3,489,928	\$ 2,024,285	9.1%
Appropriations					
Transfer to Fund Balance	\$ 2,452,832	\$ 1,855,173	\$ 3,489,928	\$ 2,024,285	9.1%
Total Appropriations	\$ 2,452,832	\$ 1,855,173	\$ 3,489,928	\$ 2,024,285	9.1%

FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

REVENUE DESCRIPTIONS

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

Interest and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
General Property Taxes	\$ -	\$ 401,333	\$ 334,078	\$ 336,558	-16.1%
Transfers from Other Funds	-	250,000	250,000	250,000	0.0%
Total Revenues	\$ -	\$ 651,333	\$ 584,078	\$ 586,558	-9.9%
Appropriations					
Operating	-	630,000	584,078	586,558	-6.9%
Capital and Other	-	21,333	-	-	0.0%
Total Appropriations	\$ -	\$ 651,333	\$ 584,078	\$ 586,558	-9.9%

FUND DESCRIPTION

The Business Improvement District (BID) Fund was established in FY 2012-13 to account for activity in the City's Downtown Business Improvement District.

REVENUE DESCRIPTIONS

General Property Taxes – A targeted 7 cents per \$100 assessed value tax on property within the boundaries of the BID, allocated to pay for enhanced services to the district.

Transfers from Other Funds – A transfer is made from the General Fund to cover a portion of the contractual services.

EXPENDITURE DESCRIPTIONS

Operating – The enhanced services provided to the Downtown Business Improvement District.

Capital and Other – This includes the collection fee that Durham County charges the City for collecting property taxes.

RISK REDUCTION FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Interest Income	\$ 63,783	\$ 80,249	\$ 80,249	\$ 54,000	-32.7%
Charges for Current Services	4,711,100	3,712,485	3,518,490	4,617,874	24.4%
Transfer from Other Funds	778,842	48,709	48,709	48,709	0.0%
Appropriation from Fund Balance	-	1,965,000	2,674,258	1,303,638	-33.7%
Total Revenues	\$ 5,553,725	\$ 5,806,443	\$ 6,321,706	\$ 6,024,221	3.8%
Appropriations					
Personal Services	\$ -	\$ -	\$ -	\$ 406,379	100.0%
Operating	3,212,079	5,806,443	6,321,706	5,617,842	-3.2%
Transfer to Other Funds	185,464	-	-	-	0.0%
Transfer to Fund Balance	2,156,182				0.0%
Total Appropriations	\$ 5,553,725	\$ 5,806,443	\$ 6,321,706	\$ 6,024,221	3.8%

FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Transfer from Other Funds – This is the repayment of an interfund loan.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services – In FY2013-14 the personnel assigned to risk functions were moved from the Finance department to the Risk fund.

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

Transfer to Other Funds – A transfer to the General Fund.

EMPLOYEE INSURANCE FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Charges for Current Services	\$ 29,128,936	\$ 29,112,275	\$ 29,112,275	\$ 29,846,965	2.5%
Interest	31,238	12,500	20,000	30,000	140.0%
Total Revenues	\$ 29,160,174	\$ 29,124,775	\$ 29,132,275	\$ 29,876,965	2.6%
Appropriations					
Personnel	\$ 52,050	\$ 76,889	\$ 52,850	\$ 78,660	2.3%
Operating	25,725,629	29,047,886	29,047,886	29,798,305	2.6%
Transfer to Fund Balance	3,382,495	-	31,539	-	0.0%
Total Appropriations	\$ 29,160,174	\$ 29,124,775	\$ 29,132,275	\$ 29,876,965	2.6%

FUND DESCRIPTION

The Employee Insurance Fund was established to account for the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

EXPENDITURE DESCRIPTIONS

Personnel – A Wellness Program Administrator FTE is included in the fund.

Operating – This line includes payments for health insurance.

WATERSHED PROTECTION FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
Charges for Services	\$ 105,757	\$ 100,000	\$ 100,000	\$ 100,000	100.0%
Total Revenues	\$ 105,757	\$ 100,000	\$ 100,000	\$ 100,000	100.0%
Appropriations					
Transfers to Other Funds	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
Transfer to Fund Balance	105,757	-	-	-	0.0%
Total Appropriations	\$ 105,757	\$ 100,000	\$ 100,000	\$ 100,000	100.0%

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2012-13 to account for activities related to the protection of the City's watershed lands.

REVENUE DESCRIPTIONS

Charges for Services - City Water Services fees collected for the purpose of the preservation of City's watershed.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The fees are transferred to Water & Sewer Construction for the purpose of future purchases of watershed land.

DEDICATED HOUSING FUND

	Actual FY 2011-12	Adopted FY 2012-13	Estimated FY 2012-13	Proposed FY 2013-14	Change
Revenues					
General Property Taxes	\$ -	\$ -	\$ 2,323,631	\$ 2,370,104	100.0%
Distributed Interest	-	-	-	-	0.0%
Total Revenues	\$ -	\$ -	\$ 2,323,631	\$ 2,370,104	100.0%
Appropriations					
Operating	\$ -	\$ -	\$ 471,526	\$ 23,700	100.0%
Capital and Other			714,721	1,425,000	100.0%
Transfers to Other Funds			996,654	553,484	100.0%
Transfer to Fund Balance	-	-	140,730	367,920	100.0%
Total Appropriations	\$ -	\$ -	\$ 2,323,631	\$ 2,370,104	100.0%
Departmental Appropriations					
Community Development	\$ -	\$ -	\$ 2,159,665	\$ 1,978,484	100.0%
Nondepartmental Appropriations	-	-	163,966	391,620	100.0%
Total Appropriations	\$ -	\$ -	\$ 2,323,631	\$ 2,370,104	100.0%

FUND DESCRIPTION

The Dedicated Housing Fund was established in FY 2012-13 to account for activities related to the dedicated one cent portion of the property tax that Council approved as part of the FY 2012-13 budget.

REVENUE DESCRIPTIONS

General Property Taxes – A dedicated 1 cent per \$100 assessed value tax on property, allocated to pay for approved housing projects including partially funding the Southside neighborhood revitalization.

Distributed Interest – As fund balance accumulates, interest earnings will be apportioned to this fund.

EXPENDITURE DESCRIPTIONS

Operating – Housing related items that are not part of a specific capital project. This amount also includes the 1% fee that the City pays to the County for collecting the taxes dedicated to the fund.

Capital and Other – This primarily holds funds at the beginning of the fiscal year until they are distributed to specific operating or transfer lines.

Transfers to Other Funds – Several capital project funds are set up for projects such as Southside. Funds are collected in the Dedicated Housing Fund, and transferred to the appropriate capital project fund as they are needed.

Transfer to Fund Balance – Estimated reserves to be allocated in future years.

APPROPRIATION DESCRIPTIONS

Departmental Appropriations – Funding allocated and approved by Council according to the 5 year plan for the dedicated funding source for housing.

Nondepartmental Appropriations – The tax collection fee paid to the County, and the Transfer to Fund Balance.